

FIFTY-FIFTH DAY

(Friday, May 5, 1967)

The Senate met at 10:00 o'clock a.m., pursuant to adjournment, and was called to order by Senator Aikin.

The roll was called and the following Senators were present:

Aikin	Hightower
Bates	Jordan
Bernal	Kennard
Berry	Mauzy
Brooks	Moore
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Creighton	Reagan
Grover	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Wilson
Hazlewood	Word
Herring	

Absent—Excused

Blanchard Strong

A quorum was announced present.

Reverend W. H. Townsend, Chaplain, offered the invocation.

On motion of Senator Hardeman and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal was approved.

Leave of Absence

Senator Blanchard was granted leave of absence for today on account of important business on motion of Senator Hardeman.

Senate Concurrent Resolution 66

Senator Hightower offered the following resolution:

S. C. R. No. 66, Designating that space now used by ladies' lounge on third floor of Capitol Building be assigned to Senate for its use.

Whereas, space within the Capitol Building has been assigned to the various departments and branches of State government by resolution; and

Whereas, the ladies' lounge in the East wing of the third floor of the Capitol Building could be more ef-

ficiently utilized; now, therefore, be it

Resolved by the Senate of Texas, the House of Representatives concurring, That the space now designated as a ladies' lounge on the East wing of the third floor of the Capitol Building is hereby assigned to the Senate for such use as it may deem proper.

The resolution was read.

On motion of Senator Hightower and by unanimous consent the resolution was considered immediately and was adopted.

Senate Resolution 546

Senator Watson offered the following resolution:

Whereas, Senate Bill No. 370 has been passed by the Senate; and

Whereas, Certain technical changes need to be made in the bill to correct certain amendatory citations; now, therefore, be it

Resolved by the Senate of the State of Texas, That the engrossing and enrolling clerk of the Senate be and hereby is directed to correct the amendatory citations in Senate Bill No. 370.

The resolution was read and was adopted.

Reports of Standing Committees

Senator Moore submitted the following reports:

Austin, Texas,
May 4, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Constitutional Amendments, to which was referred H. J. R. No. 22, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOORE, Chairman.

Austin, Texas,
May 4, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Constitutional Amendments, to which was referred H. J. R. No. 24, have

had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOORE, Chairman.

Austin, Texas,
May 4, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Constitutional Amendments, to which was referred H. J. R. No. 3, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOORE, Chairman.

Austin, Texas,
May 4, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Constitutional Amendments, to which was referred H. J. R. No. 16, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOORE, Chairman.

Austin, Texas,
May 4, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Constitutional Amendments, to which was referred S. J. R. No. 23, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOORE, Chairman.

Austin, Texas,
May 4, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Constitutional Amendments, to which was referred S. J. R. No. 31, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOORE, Chairman.

Austin, Texas,
May 4, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Constitutional Amendments, to which was referred S. J. R. No. 38, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOORE, Chairman.

Austin, Texas,
May 4, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Constitutional Amendments, to which was referred H. J. R. No. 20, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOORE, Chairman.

Austin, Texas,
May 4, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Constitutional Amendments, to which was referred H. J. R. No. 12, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOORE, Chairman.

Senator Hightower submitted the following report:

Austin, Texas,
May 5, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Game and Fish, to which was referred H. B. No. 1274, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass and be printed.

HIGHTOWER, Chairman.

House Bill 832 on Second Reading

On motion of Senator Hardeman and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to third reading:

H. B. No. 832, A bill to be entitled "An Act relating to reports filed with the Comptroller; amending Article

1.13, Chapter 1, Title 122A, Taxation-General, Revised Civil Statutes of Texas, 1925; and declaring an emergency."

The bill was read second time and passed to third reading.

House Bill 832 on Third Reading

Senator Hardeman moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that H. B. No. 832 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—27

Aikin	Jordan
Bates	Kennard
Bernal	Mauzy
Berry	Moore
Brooks	Parkhouse
Christie	Patman
Cole	Ratliff
Connally	Reagan
Creighton	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Wilson
Herring	Word
Hightower	

Absent

Grover Hazlewood

Absent—Excused

Blanchard Strong

The Presiding Officer then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—27

Aikin	Jordan
Bates	Kennard
Bernal	Mauzy
Berry	Moore
Brooks	Parkhouse
Christie	Patman
Cole	Ratliff
Connally	Reagan
Creighton	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Wilson
Herring	Word
Hightower	

Absent

Grover Hazlewood

Absent—Excused

Blanchard Strong

Message From the House

Hall of the House of Representatives
Austin, Texas,
May 5, 1967.

Hon. Preston Smith, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following:

H. C. R. No. 120, Directing the Enrolling and Engrossing Clerk to make certain corrections in House Bill No. 37.

Respectfully submitted,

DOROTHY HALLMAN,
Chief Clerk, House of Representatives

Senate Concurrent Resolution 67

Senator Hazlewood offered the following resolution:

S. C. R. No. 67, Recalling S. B. No. 438 from the Governor's Office and authorizing certain corrections therein.

Whereas, Senate Bill No. 438 has been passed by both the House of Representatives and the Senate and is now in the office of the Governor, and there are certain corrections to be made therein; now, therefore, be it

Resolved by the Senate of Texas, the House of Representatives concurring, That the Governor be and is hereby respectfully requested to return Senate Bill No. 438 to the Senate for correction; and, be it further

Resolved, That the action of the President of the Senate and the Speaker of the House in signing Senate Bill No. 438 be declared null and void, and that the two presiding officers be authorized to remove their signatures from the enrolled bill; and, be it further

Resolved, That the Engrossing and Enrolling Clerk of the Senate be and is hereby directed to correct the enrolled copy of Senate Bill No. 438 by:

(1) Striking in the caption and in

Section 1 the word "Articles" and substituting "Section 1, Article" and by inserting the word "Article" before the designations "5736b" and "5736d".

(2) Striking the designation "Article 5728" on the first line of the quoted portion of Section 1, and substituting the designation "Section 1."

The resolution was read.

On motion of Senator Hazlewood and by unanimous consent the resolution was considered immediately and was adopted.

House Concurrent Resolution 120 on Second Reading

On motion of Senator Cole and by unanimous consent, the regular order of business was suspended to take up for consideration at this time the following resolution:

H. C. R. No. 120, Directing the Enrolling and Engrossing Clerk to make certain corrections in H. B. No. 37.

The resolution was read and was adopted.

Senate Resolution 548

Senator Hall offered the following resolution:

Whereas, Miles Lannie Stimson has served the State of Texas and Rockwall County for some 53 years in county office; and

Whereas, Today, he is present in the Senate Chamber, the honored guest of Senator Ralph M. Hall of Rockwall; and

Whereas, The Senate of the State of Texas is pleased to have this long-time public servant in its midst; now, therefore, be it

Resolved by the Senate of the State of Texas, That Miles Lannie Stimson be recognized and extended the privileges of the floor of the Senate; and, be it further

Resolved, That a copy of this resolution be delivered to Miles Lannie Stimson.

HALL
WADE

The resolution was read and was adopted.

Senator Hall by unanimous consent presented Mr. Stimson to the Members of the Senate.

House Bill 219 on Second Reading

Senator Hardeman asked unanimous consent to suspend the regular order of business and take up H. B. No. 219 for consideration at this time.

There was objection.

Senator Hardeman then moved to suspend the regular order of business and take up H. B. No. 219 for consideration at this time.

The motion prevailed by the following vote:

Yeas—23

Aikin	Herring
Bates	Hightower
Bernal	Jordan
Berry	Moore
Brooks	Parkhouse
Christie	Ratliff
Cole	Reagan
Connally	Wade
Creighton	Watson
Hall	Wilson
Hardeman	Word
Harrington	

Nays—4

Kennard	Patman
Mauzy	Schwartz

Absent

Grover	Hazlewood
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Absent—Excused

Blanchard	Strong
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The President laid before the Senate on its second reading and passage to third reading:

H. B. No. 219, A bill to be entitled "An Act amending the Penal Code of Texas, 1925, by adding a new Article 1553a, relating to obtaining occupancy of a rent house, duplex, or apartment by trick, deception, or fraud; also relating to failing or refusing to pay for that occupancy; providing penalties for violations, and declaring an emergency."

The bill was read second time.

Senator Schwartz offered the following amendment to the bill:

Amend H. B. No. 219 Section 1, by striking the words "trick or deception," "statement or pretense" and the words "or who shall give a worth-

less check or who shall stop payment on a check for rent then due and not in controversy."

The amendment was read.

(President in the Chair.)

Question—Shall the amendment by Senator Schwartz to H. B. No. 219 be adopted?

House Bill 219 Postponed

On motion of Senator Word and by unanimous consent further consideration of H. B. No. 219 was postponed until 11:00 o'clock a.m. on Wednesday, May 10, 1967.

Message From the House

Hall of the House of Representatives
Austin, Texas,
May 5, 1967.

Hon. Preston Smith, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following:

H. B. No. 490, A bill to be entitled "An Act relating to the creation, administration, powers, duties and financing of a hospital district in Sherman County, to be known as Texhoma Memorial Hospital District, by authority of Section 9, Article IX, Constitution of the State of Texas; and declaring an emergency."

H. B. No. 491, A bill to be entitled "An Act relating to the creation, administration, powers, duties and financing of the Stratford Hospital District of Sherman County, Texas; and declaring an emergency."

H. B. No. 532, A bill to be entitled "An Act creating and establishing a conservation and reclamation district under Article 16, Section 59, Constitution of Texas, known as "Tidwell Timbers Municipal Utility District," declaring District a governmental agency, body politic and corporate; defining the boundaries; finding the field notes and boundaries form a closure, and related matters; finding a benefit to all land and other property within the District; finding that District is created to serve a public use and benefit; conferring on District the rights, powers, privileges, authority and duties of the general

laws of Texas applicable to water control and improvement districts created under Article 16, Section 59, Constitution of Texas, where not in conflict with this Act and adopting same by reference; providing for no election for confirmation; providing for no hearing for exclusions, except on written request or the board of directors' own motion; providing for no hearing on plan of taxation and adopting ad valorem plan of taxation for District; providing for governing body of District; providing for qualifications and bonds of directors; naming first board of directors; providing for directors to fill vacancies; providing for terms and election of directors and notice of directors' elections, and related matters; providing for organization of board of directors; providing for the letting of construction contracts and the drawing of warrants; providing for the execution of contracts by the president; providing for a vice-president, a secretary and a secretary pro tem and outlining their duties; providing for employment of engineers, attorneys, auditors and other employees; providing for a seal for the District; providing for approval of District's plans and specifications by the Texas Water Rights Commission and inspection during construction by said Commission; providing for bonds and refunding bonds to be approved by the Attorney General of Texas and registered by the Comptroller of Public Accounts of Texas, and providing for negotiability, legality, validity, obligation and incontestability of the bonds and refunding bonds; providing the power of eminent domain shall be limited to the county or counties within which District is situated; providing District shall bear expenses of relocating, raising or rerouting any highway, railroad, or utility lines or pipelines made necessary by its exercise of the power of eminent domain; defining "sole expenses"; providing that the Municipal Annexation Act shall have no application to the creation of this District; determining and finding the requirements of Article 16, Section 59(d) as to notice of intention to introduce this Act have been fulfilled and accomplished; providing for the selection of a depository or depositories for the District and related matters; providing for meetings and business transactions within or without the District but

within the State of Texas; providing additional powers of District within and without boundaries of District; providing for the voting and issuing of bonds to serve areas within or without the boundaries of District; providing for the sale of bonds of the District in denominations of \$1,000 or multiples thereof, for the exchange of bonds for property and services, and for the minimum price of bonds at such sale or exchange; providing that Article 7880-77b shall not be applicable to this District, and related matters; providing that notice of all elections shall be under hand of president or secretary; providing for canvassing of election returns; providing the bonds of this District and their transfer and income therefrom and profits thereon and purchases made by District shall be tax-free in this State; providing the bonds and refunding bonds of this District shall be eligible investments; enacting other provisions related to the aforementioned subjects; providing for a severability clause; and declaring an emergency."

H. B. No. 534, A bill to be entitled "An Act creating and establishing a conservation and reclamation district under Article 16, Section 59, Constitution of Texas known as "Westchester Municipal Utility District," declaring District a governmental agency, body politic and corporate; defining the boundaries; finding the field notes and boundaries form a closure, and related matters; finding a benefit to all land and other property within the District; finding that District is created to serve a public use and benefit; conferring on District the rights, powers, privileges, authority and duties of the general laws of Texas applicable to water control and improvement districts created under Article 16, Section 59, Constitution of Texas, where not in conflict with this Act and adopting same by reference; providing for no election for confirmation; providing for no hearing for exclusions, except on written request or the board of directors' own motion; providing for no hearing on plan of taxation and adopting ad valorem plan of taxation for District; providing for governing body of District; providing for qualifications and bonds of directors; naming first board of directors; providing for directors to fill vacancies;

providing for terms and election of directors and notice of directors' elections, and related matters; providing for organization of board of directors; providing for the letting of construction contracts and the drawing of warrants; providing for the execution of contracts by the president; providing for a vice-president, a secretary and a secretary pro tem and outlining their duties; providing for employment of engineers, attorneys, auditors and other employees; providing for a seal for the District; providing for approval of District's plans and specifications by the Texas Water Rights Commission and inspection during construction by said Commission; providing for bonds and refunding bonds to be approved by the Attorney General of Texas and registered by the Comptroller of Public Accounts of Texas, and providing for negotiability, legality, validity, obligation and incontestability of the bonds and refunding bonds; providing the power of eminent domain shall be limited to the county or counties within which District is situated; providing District shall bear expenses of relocating, raising or rerouting any highway, railroad, or utility lines or pipelines made necessary by its exercise of the power of eminent domain; defining "sole expenses"; providing that the Municipal Annexation Act shall have no application to the creation of this District; determining and finding the requirements of Article 16, Section 59(d) as to notice of intention to introduce this Act have been fulfilled and accomplished; providing for the selection of a depository or depositories for the District and related matters; providing for meetings and business transactions within or without the District but within the State of Texas; providing additional powers of District within and without boundaries of District; providing for the voting and issuing of bonds to serve areas within or without the boundaries of District; providing for the sale of bonds of the District in denominations of \$1,000 or multiples thereof, for the exchange of bonds for property and services, and for the minimum price of bonds at such sale or exchange; providing that Article 7880-77b shall not be applicable to this District, and related matters; providing that notice of all elections shall be under hand of president or secretary; providing

for canvassing of election returns; providing the bonds of this District and their transfer and income therefrom and profits thereon and purchases made by District shall be tax-free in this State; providing the bonds and refunding bonds of this District shall be eligible investments; enacting other provisions related to the aforementioned subjects; providing for a severability clause; and declaring an emergency."

H. B. No. 538, A bill to be entitled "An Act creating and establishing a conservation and reclamation district under Article 16, Section 59, Constitution of Texas, known as "Chaparral Municipal Utility District," declaring District a governmental agency, body politic and corporate; defining the boundaries; finding the field notes and boundaries form a closure, and related matters; finding a benefit to all land and other property within the District; finding that District is created to serve a public use and benefit; conferring on District the rights, powers, privileges, authority and duties of the general laws of Texas applicable to water control and improvement districts created under Article 16, Section 59, Constitution of Texas, where not in conflict with this Act and adopting same by reference; providing for no election for confirmation; providing for no hearing for exclusions, except on written request or the board of directors' own motion; providing for no hearing on plan of taxation and adopting ad valorem plan of taxation for District; providing for governing body of District; providing for qualifications and bonds of directors; naming first board of directors; providing for directors to fill vacancies; providing for terms and election of directors and notice of directors' elections, and related matters; providing for organization of board of directors; providing for the letting of construction contracts and the drawing of warrants; providing for the execution of contracts by the president; providing for a vice-president, a secretary and a secretary pro tem and outlining their duties; providing for employment of engineers, attorneys, auditors and other employees; providing for a seal for the District; providing for approval of District's plans and specifications by the Texas Water Rights Commission and in-

spection during construction by said Commission; providing for bonds and refunding bonds to be approved by the Attorney General of Texas and registered by the Comptroller of Public Accounts of Texas, and providing for negotiability, legality, validity, obligation and incontestability of the bonds and refunding bonds; providing the power of eminent domain shall be limited to the county or counties within which District is situated; providing District shall bear expenses of relocating, raising or rerouting any highway, railroad, or utility lines or pipelines made necessary by its exercise of the power of eminent domain; defining "sole expenses"; providing that the Municipal Annexation Act shall have no application to the creation of this District; determining and finding the requirements of Article 16, Section 59(d) as to notice of intention to introduce this Act have been fulfilled and accomplished; providing for the selection of a depository or depositories for the District and related matters; providing for meetings and business transactions within or without the District but within the State of Texas; providing additional powers of District within and without boundaries of District; providing for the voting and issuing of bonds to serve areas within or without the boundaries of District; providing for the sale of bonds of the District in denominations of \$1,000 or multiples thereof, for the exchange of bonds for property and services, and for the minimum price of bonds at such sale or exchange; providing that Article 7880-77b shall not be applicable to this District, and related matters; providing that notice of all elections shall be under hand of president or secretary; providing for canvassing of election returns; providing the bonds of this District and their transfer and income therefrom and profits thereon and purchases made by District shall be tax-free in this State; providing the bonds and refunding bonds of this District shall be eligible investments; enacting other provisions related to the aforementioned subjects; providing for a severability clause; and declaring an emergency."

H. B. No. 539, A bill to be entitled "An Act adding land to Harris County Water Control and Improvement District—Fondren Road, describing

the boundaries of such added land; finding the field notes and boundaries of the added land form a closure, and related matters; redefining the boundary of the District as enlarged; finding the field notes and boundaries of the redefined District form a closure, and related matters; finding a benefit to all land and other property within the District as enlarged; ratifying and validating all proceedings and actions had and taken by the governing body of the District, the organization and boundaries of the District, all notices and all proceedings relating thereto, and all elections and hearings; ratifying and validating all purposes for which District was created; providing a no-litigation clause; determining and finding the requirements of Article 16, Section 59(d) as to notice of intention to introduce this Act have been fulfilled and accomplished; providing the bonds and refunding bonds of this District shall be eligible investments; enacting other provisions relating to the aforementioned subjects; providing a saving clause; and declaring an emergency."

H. B. No. 571, A bill to be entitled "An Act creating and establishing a conservation and reclamation district under Article 16, Section 59, Constitution of Texas known as "Royal Forest Municipal Utility District," declaring District a governmental agency, body politic and corporate; defining the boundaries; finding the field notes and boundaries form a closure, and related matters; finding a benefit to all land and other property within the District; finding that District is created to serve a public use and benefit; conferring on District the rights, powers, privileges, authority and duties of the general laws of Texas applicable to water control and improvement districts created under Article 16, Section 59, Constitution of Texas, where not in conflict with this Act and adopting same by reference; providing for no election for confirmation; providing for no hearing for exclusions, except on written request or the board of directors' own motion; providing for no hearing on plan of taxation and adopting ad valorem plan of taxation for District; providing for governing body of District; providing for qualifications and bonds of directors; naming first board of directors; pro-

viding for directors to fill vacancies; providing for terms and election of directors and notice of directors' elections, and related matters; providing for organization of board of directors; providing for the letting of construction contracts and the drawing of warrants; providing for the execution of contracts by the president; providing for a vice-president, a secretary and a secretary pro tem and outlining their duties; providing for employment of engineers, attorneys, auditors and other employees; providing for a seal for the District; providing for approval of District's plans and specifications by the Texas Water Rights Commission and inspection during construction by said Commission; providing for bonds and refunding bonds to be approved by the Attorney General of Texas and registered by the Comptroller of Public Accounts of Texas, and providing for negotiability, legality, validity, obligation and incontestability of the bonds and refunding bonds; providing the power of eminent domain shall be limited to the county or counties within which District is situated; providing District shall bear expenses of relocating, raising or rerouting any highway, railroad, or utility lines or pipelines made necessary by its exercise of the power of eminent domain; defining "sole expenses"; providing that the Municipal Annexation Act shall have no application to the creation of this District; determining and finding the requirements of Article 16, Section 59(d) as to notice of intention to introduce this Act have been fulfilled and accomplished; providing for the selection of a depository or depositories for the District and related matters; providing for meetings and business transactions within or without the District but within the State of Texas; providing additional powers of District within and without boundaries of District; providing for the voting and issuing of bonds to serve areas within or without the boundaries of District; providing for the sale of bonds of the District in denominations of \$1,000 or multiples thereof, for the exchange of bonds for property and services, and for the minimum price of bonds at such sale or exchange; providing that Article 7880-77b shall not be applicable to this District, and related matters; providing that notice of all elections shall be under hand

of president or secretary; providing for canvassing of election returns; providing the bonds of this District and their transfer and income therefrom and profits thereon and purchases made by District shall be tax-free in this State; providing the bonds and refunding bonds of this District shall be eligible investments; enacting other provisions related to the aforementioned subjects; providing for a severability clause; and declaring an emergency."

H. B. No. 572, A bill to be entitled "An Act creating and establishing a conservation and reclamation district under Article 16, Section 59, Constitution of Texas, known as "Oak Ridge Municipal Utility District," declaring District a governmental agency, body politic and corporate; defining the boundaries; finding the field notes and boundaries form a closure, and related matters; finding a benefit to all land and other property within the District; finding that District is created to serve a public use and benefit; conferring on District the rights, powers, privileges, authority and duties of the general laws of Texas applicable to water control and improvement districts created under Article 16, Section 59, Constitution of Texas, where not in conflict with this Act and adopting same by reference; providing for no election for confirmation; providing for no hearing for exclusions, except on written request or the board of directors' own motion; providing for no hearing on plan of taxation and adopting ad valorem plan of taxation for District; providing for governing body of District; providing for qualifications and bonds of directors; naming first board of directors; providing for directors to fill vacancies; providing for terms and election of directors and notice of directors' elections, and related matters; providing for organization of board of directors; providing for the letting of construction contracts and the drawing of warrants; providing for the execution of contracts by the president; providing for a vice-president, a secretary and a secretary pro tem and outlining their duties; providing for employment of engineers, attorneys, auditors and other employees; providing for a seal for the District; providing for approval of District's plans and specifications by the Texas

Water Rights Commission and inspection during construction by said Commission; providing for bonds and refunding bonds to be approved by the Attorney General of Texas and registered by the Comptroller of Public Accounts of Texas, and providing for negotiability, legality, validity, obligation and incontestability of the bonds and refunding bonds; providing the power of eminent domain shall be limited to the county or counties within which District is situated; providing District shall bear expenses of relocating, raising or rerouting any highway, railroad, or utility lines or pipelines made necessary by its exercise of the power of eminent domain; defining "sole expenses"; providing that the Municipal Annexation Act shall have no application to the creation of this District; determining and finding the requirements of Article 16, Section 59(d) as to notice of intention to introduce this Act have been fulfilled and accomplished; providing for the selection of a depository or depositories for the District and related matters; providing for meetings and business transactions within or without the District but within the State of Texas; providing additional powers of District within and without boundaries of District; providing for the voting and issuing of bonds to serve areas within or without the boundaries of District; providing for the sale of bonds of the District in denominations of \$1,000 or multiples thereof, for the exchange of bonds for property and services, and for the minimum price of bonds at such sale or exchange; providing that Article 7880-77b shall not be applicable to this District, and related matters; providing that notice of all elections shall be under hand of president or secretary; providing for canvassing of election returns; providing the bonds of this District and their transfer and income therefrom and profits thereon and purchases made by District shall be tax-free in this State; providing the bonds and refunding bonds of this District shall be eligible investments; enacting other provisions related to the aforementioned subjects; providing for a severability clause; and declaring an emergency."

H. B. No. 573, A bill to be entitled "An Act creating and establishing a conservation and reclamation district

under Article 16, Section 59, Constitution of Texas, known as "River Club Estates Municipal Utility District," declaring District a governmental agency, body politic and corporate; defining the boundaries; finding the field notes and boundaries form a closure, and related matters; finding a benefit to all land and other property within the District; finding that District is created to serve a public use and benefit; conferring on District the rights, powers, privileges, authority and duties of the general laws of Texas applicable to water control and improvement districts created under Article 16, Section 59, Constitution of Texas, where not in conflict with this Act and adopting same by reference; providing for no election for confirmation; providing for no hearing for exclusions, except on written request or the board of directors' own motion; providing for no hearing on plan of taxation and adopting ad valorem plan of taxation for District; providing for governing body of District; providing for qualifications and bonds of directors; naming first board of directors; providing for directors to fill vacancies; providing for terms and election of directors and notice of directors' elections, and related matters; providing for organization of board of directors; providing for the letting of construction contracts and the drawing of warrants; providing for the execution of contracts by the president; providing for a vice-president, a secretary and a secretary pro tem and outlining their duties; providing for employment of engineers, attorneys, auditors and other employees; providing for a seal for the District; providing for approval of District's plans and specifications by the Texas Water Rights Commission and inspection during construction by said Commission; providing for bonds and refunding bonds to be approved by the Attorney General of Texas and registered by the Comptroller of Public Accounts of Texas, and providing for negotiability, legality, validity, obligation and incontestability of the bonds and refunding bonds; providing the power of eminent domain shall be limited to the county or counties within which District is situated; providing District shall bear expenses of relocating, raising or rerouting any highway, railroad, or utility lines or pipelines made necessary by its exer-

cise of eminent domain; defining "sole expenses"; providing that the Municipal Annexation Act shall have no application to the creation of this District; determining and finding the requirements of Article 16, Section 59(d) as to notice of intention to introduce this Act have been fulfilled and accomplished; providing for the selection of a depository or depositories for the District and related matters; providing for meetings and business transactions within or without the District but within the State of Texas; providing additional powers of District within and without boundaries of District; providing for the voting and issuing of bonds to serve areas within or without the boundaries of District; providing for the sale of bonds of the District in denominations of \$1,000 or multiples thereof, for the exchange of bonds for property and services, and for the minimum price of bonds at such sale or exchange; providing that Article 7880-77b shall not be applicable to this District, and related matters; providing that notice of all elections shall be under hand of president or secretary; providing for canvassing of election returns; providing the bonds of this District and their transfer and income therefrom and profits thereon and purchases made by District shall be tax-free in this State; providing the bonds and refunding bonds of this District shall be eligible investments; enacting other provisions related to the aforementioned subjects; providing for a severability clause; and declaring an emergency."

H. B. No. 634, A bill to be entitled "An Act providing for the creation of the Colorado City Hospital District with boundaries coextensive with the boundaries of Commissioners' Precincts Nos. 1, 2 and 3 of Mitchell County, Texas, in accordance with the provisions of Section 9, Article IX of the Constitution of Texas; prescribing a procedure for an election on the creation of such district and the levy of a tax not to exceed 75¢ on the \$100 valuation for its maintenance, support and payment of indebtedness of the district; providing that the district shall assume any outstanding debt incurred by any city or town within said district for hospital purposes; providing said district with the power to issue bonds;

providing for the operation and financing of said district, including the procedures it is to follow; providing a severability clause; and declaring an emergency."

H. B. No. 1163, A bill to be entitled "An Act creating the County Court at Law of Harrison County; providing for its jurisdiction, terms, personnel, administration, practice, and facilities; and declaring an emergency."

H. B. No. 914, A bill to be entitled "An Act relating to salaries for judges of the Travis County Courts at Law; amending Section 17, Chapter 136, Acts of the 47th Legislature, Regular Session, 1941, as amended (Article 1970-324, Vernon's Texas Civil Statutes), and amending Section 17, Chapter 127, Acts of the 58th Legislature, 1963, as amended (Article 1970-324a, Vernon's Texas Civil Statutes); and declaring an emergency."

H. B. No. 861, A bill to be entitled "An Act validating proceedings relating to creation and establishing of the Collin County Fresh Water Supply District No. 1 and the bonds heretofore issued by such district; conferring on such district the power to construct a sanitary sewer system and issue bonds for such purpose as well as refunding bonds and prescribing procedures therefor; etc.; and declaring an emergency."

H. B. No. 1269, A bill to be entitled "An Act closing the season on deer in a portion of Cherokee County for two years; prescribing a penalty; and declaring an emergency."

H. C. R. No. 97, Empowering the Governor to redesignate the Texas Surplus Property Agency for the fiscal years 1967-1968 and 1968-1969.

H. B. No. 1270, A bill to be entitled "An Act relating to hunting deer with dogs in Cherokee County; establishing a prima facie case; and declaring an emergency."

H. B. No. 1256, A bill to be entitled "An Act relating to Franklin County Water District; validating said district and all official actions and proceedings heretofore accomplished and performed by it; providing a no-litigation clause; and declaring an emergency."

H. B. No. 1167, A bill to be entitled "An Act to diminish the civil jurisdiction of the County Court of Franklin County, Texas, and to conform the jurisdiction of the district court or district courts of such county to such change; repealing Chapter 385, Acts of the 59th Legislature, Regular Session, 1965 (Article 1970-331a, Vernon's Texas Civil Statutes); etc.; and declaring an emergency."

Respectfully submitted,

DOROTHY HALLMAN,
Chief Clerk, House of Representatives

Motion to Set Senate Bill 10 As Special Order

Senator Bates asked unanimous consent that S. B. No. 10 be set as Special Order on Friday, May 12, 1967, at 11:00 o'clock a.m. or following Morning Call.

There was objection.

Senator Bates then moved to set S. B. No. 10 as Special Order on Friday, May 12, 1967, at 11:00 o'clock a.m. or following Morning Call.

The motion was lost by the following vote:

Yeas—10

Bates	Connally
Bernal	Kennard
Berry	Mauzy
Brooks	Reagan
Christie	Wade

Nays—18

Aikin	Jordan
Cole	Moore
Creighton	Parkhouse
Grover	Patman
Hall	Ratliff
Hardeman	Schwartz
Harrington	Watson
Herring	Wilson
Hightower	Word

Absent

Hazlewood

Absent—Excused

Blanchard Strong

Report of Standing Committee

Senator Aikin by unanimous consent submitted the following report:

Austin, Texas,
May 5, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Finance, to which was referred S. B. No. 570, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

AIKIN, Chairman.

C. S. S. B. No. 570 was read the first time.

Remarks of Senator Aikin Ordered Printed in Senate Journal

On motion of Senator Hardeman and by unanimous consent the following remarks by Senator Aikin relative to S. B. No. 570 were ordered printed in the Senate Journal:

"Mr. President: I have just sent up the report for the one-year appropriation bill and, though this is the second time that I have made a speech of this nature, I feel compelled to do so in view of the severe criticism levelled at this bill by the Chief Executive of this State at a press conference yesterday.

"Though I have not talked with the Governor, from press reports that I take to be accurate, he labeled the bill as 'woefully deficient.' I understand he mentioned State Hospitals and Special Schools, and I would like to set the record straight. This bill has an increase of 43.9%.

"I understand from the same press reports that he was critical of the appropriation for higher education. This bill provides for an increase of 52.8% over the present level of spending.

"I understand that he mentioned a rider relating to Title XIX—saying that it was not properly drawn and would not serve the purpose of securing matching funds. Again I would like to set the record straight. The rider is exactly the same as the one in the two-year bill and was prepared for our committee by the Department of Public Welfare.

"Now—there are a few things that are not in this bill. One is a \$500,000 appropriation from the General Revenue Fund to the Governor's Of-

fice for expenses of a proposed Municipal Incorporation Review Board and other items under the proposed Interlocal Cooperative Incentive Act of 1967. This Act has not passed, and there is no pre-existing statute authorizing such expenditure.

"Another item mentioned, I understand, is a proposed \$500,000 appropriation to the Coordinating Board. That item is not in the bill, and as far as I am concerned will not be in the bill . . . and I might add that it was not recommended in either the Executive Budget or the Legislative Budget Board Budget.

"I would like to pay my respects to the four members who helped write this bill. I have never worked with a better committee, or one that tried harder to be fair and treat every institution and State Department alike.

"There are other items that I will have more to say about at a future time, but, Mr. President, I felt compelled to make this statement to the Senate, and I would urge the Chief Executive to quit pulling figures out of the air, and as far as I am concerned—as just one member of this Senate—I am always glad to have advice and I appreciate counsel, but—Mr. President—I am not taking orders, and as long as I represent my district I shall vote my convictions regardless of who likes it."

Committee Substitute Senate Bill 570 Ordered Mimeographed and Not Otherwise Printed

On motion of Senator Aikin and by unanimous consent C. S. S. B. No. 570 was ordered mimeographed and not otherwise printed.

Bills and Resolutions Signed

The President signed in the presence of the Senate after the caption had been read, the following enrolled bills and resolutions:

H. C. R. No. 109, Authorizing the Enrolling Clerk to make certain corrections in House Bill No. 398.

H. C. R. No. 120, Recalling from Governor and authorizing the Enrolling Clerk to make certain corrections in House Bill No. 37.

H. B. No. 770, A bill to be entitled "An Act to amend Chapter 290 of the

41st Legislature, codified as Article 2815h, Vernon's Texas Civil Statutes, as last amended by Chapter 80, Acts of the 59th Legislature, providing two alternate methods by which territory consisting of school districts or parts of school districts adjoining or lying adjacent to any Junior College District may be annexed to such Junior College District for Junior College purposes only; providing elections on question of levy and collection of taxes for support of Junior College District and for assumption of bonded indebtedness thereof shall not be necessary in such annexed territory; providing a severability clause; and declaring an emergency."

H. B. No. 997, A bill to be entitled "An Act separating the Court of Domestic Relations of Nueces County, Texas, from the County Court at Law No. II of Nueces County, Texas, and defining the authority and jurisdiction of each; etc., and declaring an emergency."

Report of Standing Committee

Senator Christie by unanimous consent submitted the following report:

Austin, Texas,
May 5, 1967.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on State Departments and Institutions, to which was referred S. B. No. 168, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

CHRISTIE, Chairman.
SCHWARTZ
BROOKS
BERRY
WILSON

C. S. S. B. No. 168 was read the first time.

Motion to Place Senate Bill 537 on Second Reading

Senator Harrington asked unanimous consent to suspend the regular order of business and take up S. B. No. 537 for consideration at this time.

There was objection.

Senator Harrington then moved to suspend the regular order of business and take up S. B. No. 537 for consideration at this time.

The motion was lost by the following vote (not receiving two-thirds vote of the Members present):

Yeas—18

Bernal	Herring
Berry	Hightower
Brooks	Jordan
Christie	Mauzy
Cole	Moore
Creighton	Reagan
Grover	Schwartz
Hall	Wade
Harrington	Word

Nays—10

Aikin	Parkhouse
Bates	Patman
Connally	Ratliff
Hardeman	Watson
Hazlewood	Wilson

Absent

Kennard

Absent—Excused

Blanchard Strong

House Bill 1032 on Second Reading

On motion of Senator Word and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to third reading:

H. B. No. 1032, A bill to be entitled "An Act authorizing the Texas Department of Mental Health and Mental Retardation to convey a 6" water main and a 6" sanitary sewer main to the City of Kerrville; providing for consideration for such conveyance; and declaring an emergency."

The bill was read second time and passed to third reading.

House Bill 1032 on Third Reading

Senator Word moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that H. B. No. 1032 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—29

Aikin	Hightower
Bates	Jordan
Bernal	Kennard
Berry	Mauzy
Brooks	Moore
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Creighton	Reagan
Grover	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Wilson
Hazlewood	Word
Herring	

Absent—Excused

Blanchard Strong

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—29

Aikin	Hightower
Bates	Jordan
Bernal	Kennard
Berry	Mauzy
Brooks	Moore
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Creighton	Reagan
Grover	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Wilson
Hazlewood	Word
Herring	

Absent—Excused

Blanchard Strong

Senate Bill 550 on Second Reading

On motion of Senator Hightower and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S. B. No. 550, A bill to be entitled "An Act amending Article 2529, Revised Civil Statutes of Texas, 1925, as heretofore amended; and declaring an emergency."

The bill was read second time and passed to engrossment.

Senate Bill 550 on Third Reading

Senator Hightower moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that S. B. No. 550 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—29

Aikin	Hightower
Bates	Jordan
Bernal	Kennard
Berry	Mauzy
Brooks	Moore
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Creighton	Reagan
Grover	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Wilson
Hazlewood	Word
Herring	

Absent—Excused

Blanchard Strong

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—29

Aikin	Hightower
Bates	Jordan
Bernal	Kennard
Berry	Mauzy
Brooks	Moore
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Creighton	Reagan
Grover	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Wilson
Hazlewood	Word
Herring	

Absent—Excused

Blanchard Strong

Senate Bill 581 on Second Reading

On motion of Senator Brooks and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S. B. No. 581, A bill to be entitled "An Act creating the Texas Toll Bridge Authority and prescribing its membership, organization, powers, and duties; providing for financing of toll bridge projects; authorizing a certain toll bridge project; providing for incorporation of toll bridge projects into the State Highway System; making other provisions related to the subject of this legislation; prescribing certain penalties; and declaring an emergency."

The bill was read second time and passed to engrossment.

Senate Bill 581 on Third Reading

Senator Brooks moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that S. B. No. 581 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—28

Aikin	Hightower
Bates	Jordan
Bernal	Kennard
Berry	Mauzy
Brooks	Moore
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Grover	Reagan
Hall	Schwartz
Hardeman	Wade
Harrington	Watson
Hazlewood	Wilson
Herring	Word

Nays—1

Creighton

Absent—Excused

Blanchard Strong

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—28

Aikin	Hightower
Bates	Jordan
Bernal	Kennard
Berry	Mauzy
Brooks	Moore
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Grover	Reagan
Hall	Schwartz
Hardeman	Wade
Harrington	Watson
Hazlewood	Wilson
Herring	Word

Nays—1

Creighton

Absent—Excused

Blanchard Strong

Senate Bill 71 on Second Reading

On motion of Senator Watson and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S. B. No. 71, A bill to be entitled "An Act to provide a sick leave policy for all teachers employed in the Texas Public Free Schools, setting out the Minimum Sick Leave Program, providing for reports to and administration through the Central Education Agency, providing for financing from the State Foundation School Fund, to take effect for the 1967-68 school year and thereafter, providing a severability clause; and declaring an emergency."

The bill was read second time.

Senator Watson offered the following amendment to the bill:

Amend S. B. 71, Section 5, by striking out "1967-68" and substituting in lieu thereof "1968-69".

The amendment was read and was adopted.

On motion of Senator Watson and by unanimous consent the caption was amended to conform to the body of the bill as amended.

Question on the passage of the bill (S. B. No. 71) to engrossment, "Yeas" and "Nays" were demanded.

The bill, as amended, was passed to engrossment by the following vote:

Yeas—27

Aikin	Herring
Bates	Hightower
Bernal	Jordan
Berry	Kennard
Brooks	Mauzy
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Creighton	Reagan
Grover	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Word
Hazlewood	

Nays—1

Wilson

Absent

Moore

Absent—Excused

Blanchard Strong

Senate Bill 71 on Third Reading

Senator Watson moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that S. B. No. 71 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—27

Aikin	Herring
Bates	Hightower
Bernal	Jordan
Berry	Kennard
Brooks	Mauzy
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Creighton	Reagan
Grover	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Word
Hazlewood	

Nays—1

Wilson

Absent

Moore

Absent—Excused

Blanchard Strong

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

Conference Committee Report on House Bill 328

Senator Hightower submitted the following Conference Committee Report on H. B. No. 328:

Austin, Texas,
May 5, 1967.

Hon. Preston Smith, President of the Senate.

Hon. Ben Barnes, Speaker of the House of Representatives.

Sirs: We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on H. B. No. 328, have met and had same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

HIGHTOWER
HERRING
RATLIFF
REAGAN
PARKHOUSE

On the part of the Senate.

CREWS
JUNGMICHEL
DUGGAN

On the Part of the House.

H. B. No. 328, A bill to be entitled "An Act amending the Insurance Code of Texas (Acts 1951, 52nd Legislature, Chapter 491, page 868), as heretofore amended, by a new article designated Article 3.72, authorizing the issuance of variable annuity contracts; defining the term variable annuity contract; specifying the qualifications for insurers who may issue variable annuity contracts; requiring that variable annuity contracts contain certain provisions; authorizing the optional issuance of contracts providing a combination of a fixed dollar amount and variable dollar amount benefits and for op-

tional lump-sum payment of benefits; requiring the filing of all forms and compliance with the approval requirements of Article 3.42; prohibiting illustration of benefits payable by projections of past investments experience into the future and requiring conformity with regulations promulgated by the State Board of Insurance; authorizing and regulating the establishment by insurers of one or more separate accounts to be known as separate variable annuity accounts; providing for investment of separate account funds; providing for the valuation of assets allocated to separate variable annuity accounts; requiring the State Board of Insurance to establish the reserve liability for variable annuity contracts; requiring insurers authorized pursuant to this article to file separate annual statements of variable annuity accounts; authorizing domestic companies to amend their charters to make special provisions relative to variable annuity contracts; providing for and requiring licensing of variable annuity insurance agents; authorizing and requiring the State Board of Insurance to issue rules and regulations to carry out the purposes of this section; providing for the issuance of certain variable annuity contracts by certain nonprofit corporations and the regulation of such contracts and corporations by the State Board of Insurance; providing that the provisions hereof shall be cumulative; repealing laws or parts of laws in conflict herewith to the extent of such conflict; and declaring an emergency."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Chapter 3 of the Insurance Code (Acts 1951, 52nd Legislature, Chapter 491, page 868), as heretofore amended, be and the same is hereby amended by adding to the said Chapter 3 a new article to be designated Article 3.72, to read as follows:

"Article 3.72. Variable Annuity Contracts

"Section 1. Variable Annuity Contracts Defined. When used in this article the term 'variable annuity contract' shall mean any annuity contract issued by an insurance company providing for the dollar amount of annuity benefits or other con-

tractual payments or values thereunder to vary so as to reflect investment results of any segregated portfolio of investments or of a designated separate account in which amounts received in connection with such contracts shall have been placed and accounted for separately and apart from other investments and accounts; provided, however, that 'variable annuity contracts' issued under this Article 3.72 shall not be deemed to be a 'security' or 'securities' as defined in The Security Act (Acts 1957, 55th Legislature, page 575, Chapter 269) nor subject to regulation under said Act.

"Section 2. Qualification of Insurers. No domestic insurance company shall issue, deliver or use any variable annuity contract and no foreign insurance company authorized to transact business in this state shall issue, deliver or sell any variable annuity contract in this state unless and until such company shall have satisfied the State Board of Insurance that its financial and general condition and its methods of operation, including the issue and sale of variable annuity contracts, are not and will not be hazardous to the public or to its policy and contract owners in this state. No foreign insurance company shall issue, deliver or sell any variable annuity contract in this state unless authorized to do so by the laws of its domicile. In determining the qualifications of a company requesting authority to issue, deliver or use variable annuity contracts pursuant to this article the State Board of Insurance shall consider the history of the company, its financial and general condition, the character, responsibility and general fitness and ability of its officers and directors, and the regulation of a foreign company by the state of its domicile. It is specifically provided that an insurer shall not qualify for authority to issue, deliver, or use variable annuity contracts in this State unless at the time of such issuance, delivery, or use it shall have at least the minimum capital and surplus, or in the case of a mutual insurer, the minimum free surplus, which would at such time be required by law for the incorporation of such a domestic insurer or the licensing in Texas of such a foreign insurer. If after notice and hearing the State Board of Insurance shall find that the company is qualified to issue, de-

liver and use variable annuity contracts in accordance with this article and the regulations and rules issued thereunder, it shall issue its official order of authorization, otherwise it shall issue its official order denying such authority and the request therefor and specifying the grounds for such denial.

"Section 3. Contracts Shall Contain Certain Provisions. (a) Every variable annuity contract delivered or issued for delivery in this state, and every certificate evidencing variable benefits issued pursuant to any such contract on a group basis, shall contain a statement of the essential features of the procedure to be followed by the issuing company in determining the dollar amount of the variable annuity benefits or other contractual payments or values thereunder and shall state in clear terms that such amounts may decrease or increase according to such procedure. Every such contract delivered or issued for delivery in this state, and every such certificate, shall contain on its first page, in a prominent position, a clear statement that the benefits or other contractual payments or values thereunder are on a variable basis.

"(b) Every individual variable annuity contract delivered or issued for delivery in this state shall stipulate the method of determining the variations in the dollar amount of variable annuity benefits or other contractual payments or values thereunder due to variations in investment experience, and shall guarantee that the expense and mortality results shall not adversely affect such dollar amounts. The first annuity payment to be made pursuant to such method shall not be in an amount in excess of the amount produced by the use of the Progressive Annuity Mortality Table or any other Annuity Mortality Table approved by the State Board of Insurance, and an annual interest assumption of three and one half percent (3½%).

"(c) Every individual variable annuity contract delivered or issued for delivery in this state shall contain in substance the following provisions or other provisions more favorable or at least as favorable to the contract owner and approved by the State Board of Insurance:

"(i) That, in the event of default in the payment of any consideration be-

yond the period of grace allowed by the contract for the payment thereof, the company will make payment of the value of the contract, as determined thereunder, in accordance with a plan provided by the contract or agreed upon by the contract owner and the company, such payments to commence not later than the date contractual payments were otherwise to have commenced in accordance with the contract;

"(ii) That, upon written request of the contract owner and surrender of the contract the company will make payment of the value of the contract, as determined thereunder, in accordance with a plan provided by the contract and selected by the contract owner or as agreed upon by the contract owner and the company;

"(iii) That, the company will mail to the contract owner not less than semiannually after the first contract year a report in a form approved by the State Board of Insurance which shall include a statement of the number of units of uniform value credited to such contract and the dollar value of each such unit as of a date not more than four (4) months previous to the date of mailing, and a statement in a form and as of a date approved by the State Board of Insurance of the investments held in the segregated portfolio or portfolios of investments or separate account or accounts designated in such contract.

"(d) Every group variable annuity contract delivered or issued for delivery in this state shall stipulate the method of determining the variations in the dollar amount payable with respect to a unit of variable annuity benefits purchased thereunder due to variations in investment experience, and shall guarantee that expense and mortality results shall not adversely affect such dollar amounts.

"Section 4. Optional Fixed Dollar Benefits and Payments. Any domestic insurance company issuing variable annuity contracts pursuant to this article may in its discretion, but need not, issue annuity contracts providing a combination of fixed dollar amount and variable dollar amount benefits and for optional lump-sum payment of benefits.

"Section 5. Filing and Approval Requirements. Every variable annuity contract form delivered or issued for delivery in this state, and every

certificate form evidencing variable benefits issued pursuant to any such contract on a group basis, and the application, rider and endorsement forms applicable thereto and used in connection therewith, shall be and are hereby expressly made subject to the filing and approval requirements of Article 3.42 of this Insurance Code and any and all amendments thereof.

"Section 6. Certain Illustrations Prohibited. Illustration of benefits payable under any variable annuity contract shall not include or involve projections of past investment experience into the future and shall conform with reasonable regulations promulgated by the State Board of Insurance.

"Section 7. Separate Accounts and Operation of Same. Every insurance company authorized pursuant to this article to issue, deliver or use variable annuity contracts shall, in connection with same, establish one or more separate accounts to be known as separate variable annuity accounts. All amounts received by the company in connection with any such contract which are required by the terms thereof to be allocated or applied to one or more designated separate variable annuity accounts shall be placed in such designated account or accounts. The assets and liabilities of each such separate variable annuity account shall at all times be clearly identifiable and distinguishable from the assets and liabilities in all other accounts of the company. The assets held in any such separate variable annuity account shall not be chargeable with liabilities arising out of any other business the company may conduct but shall be held and applied exclusively for the benefit of the owners or beneficiaries of the variable annuity contracts applicable thereto. In the event of the insolvency of the company the assets of each such separate variable annuity account shall be applied to the contractual claims of the owners or beneficiaries of the variable annuity contracts applicable thereto. Except as otherwise specifically provided by the contract, no sale, transfer or exchange of assets may be made between any such separate variable annuity account and any other account of the company, and no asset of a separate variable annuity account shall be pledged, transferred or in any manner encumbered as collateral for a loan. All

amounts and assets allocated to any such separate variable annuity account shall be owned by the company and with respect to same the company shall not be nor hold itself out to be a trustee.

"Section 8. Investment of Separate Account Funds. Any domestic insurance company which has established one or more separate variable annuity accounts pursuant to this article may invest and reinvest all or any part of the assets allocated to any such account in and only in the securities and investments authorized by Article 3.39 of this Insurance Code for any of the funds of a domestic life insurance company, free and clear of any and all limitations and restrictions in such Article 3.39, and in addition thereto in common capital stocks or other equities which are listed on or admitted to trading in a securities exchange located in the United States of America, or which are publicly held and traded in the 'over-the-counter market' as defined by the State Board of Insurance and as to which market quotations have been available. None of the assets allocated to any such variable annuity account shall be invested in common stocks of corporations which shall have defaulted in the payment of any debt within five years next preceding such investment. No such company shall invest in excess of the greater of (a) Twenty-Five Thousand Dollars (\$25,000) or (b) five per cent (5%) of the assets of any such separate variable annuity account in any one corporation issuing such common capital stock. The assets and investments of such separate variable annuity accounts shall not be taken into account in applying the quantitative investment limitations applicable to other investments of the company. In the purchase of common capital stock or other equities, the insurer shall designate to the broker, or to the seller if the purchase is not made through a broker, the specific variable annuity account for which the investment is made.

"Section 9. Valuation of Assets. Assets allocated to any separate variable annuity account shall be valued at their market value on the date of any valuation, or if there is no readily available market then in accordance with the terms of the variable annuity contract applicable to such assets, or if there are no such contract

terms then in such manner as may be prescribed by reasonable rules and regulations of the State Board of Insurance.

"Section 10. Reserve Liability. The reserve liability for variable annuity contracts shall be established by the State Board of Insurance pursuant to the requirements of the Standard Valuation Law as contained in this Insurance Code, and in accordance with actuarial procedures that recognize the variable nature of the benefits provided.

"Section 11. Separate Annual Statements. Every insurance company authorized pursuant to this article to issue, deliver or use variable annuity contracts shall annually file with the State Board of Insurance a separate annual statement of its separate variable annuity accounts. Such statement shall be on a form prescribed or approved by the State Board of Insurance and shall include details as to all of the income, disbursements, assets and liability items of and associated with the said separate variable annuity accounts. Said statement shall be under oath of two officers of the company and shall be filed simultaneously with the annual statement required by Article 3.07 and Article 11.06 of this Insurance Code.

"Section 12. Amendment of Domestic Company Charters. Every domestic insurance company authorized pursuant to this article to issue variable annuity contracts and establish separate variable annuity accounts may amend its charter to provide for special voting rights and procedures for the owners of its variable annuity contracts to give them jurisdiction over matters relating to investment policies, investment advisory services and the selection of certified public accountants in relation to the administration of the assets in such separate variable annuity accounts, and in order to comply with the Investment Company Act of 1940 of the United States and such other requirements of federal law as shall be applicable to such separate variable annuity accounts.

"Section 13. Variable Annuity Agents' Licenses. Notwithstanding any other law of this State, no person shall, within this State, sell or offer for sale a variable annuity contract, or do or perform any act or thing in the sale, negotiation, making

or consummating of any variable annuity contract other than for himself unless such person shall have a valid and current certificate from the State Board of Insurance authorizing such person to act within this State as a variable annuity insurance agent. No such certificate shall be issued unless and until the said Board is satisfied, after examination, that such person is by training, knowledge, ability and character qualified to act as such agent. Any such certificate may be withdrawn and cancelled by said Board, after notice and hearing, if it shall find that the holder thereof does not then have the qualifications required for issue of such certificate.

"Section 14. An insurance company, including a corporation regulated by the insurance regulatory authority of its state of domicile, which is a non-profit corporation, is hereby authorized to issue and deliver variable annuity contracts in this State pursuant to a license issued by the State Board of Insurance under such rules and regulations as may be promulgated from time to time by the State Board of Insurance. Any such company not domiciled in Texas must be authorized to issue and deliver variable annuity contracts under the law of its domicile. Variable annuity contracts issued and delivered in this State by such companies shall comply with the preceding and following sections hereof except that such variable annuity contracts may provide for payments which vary directly according to investment, mortality and expense experience. The State Board of Insurance shall pursuant to rules and regulations promulgated by it, determine that the expenses of such company are not unfair, unjust, unreasonable or inequitable to the holders of such variable annuity contracts and approve the method of arriving at mortality and expense assumptions and the method of establishing reserve liability. No such company shall be authorized to issue any annuity or insurance contract other than the type of variable annuity contract authorized to be issued and delivered by this Act.

"Section 15. Rules and Regulations. The State Board of Insurance is authorized and directed to issue such reasonable rules and regulations as may be necessary to carry out the various purposes and provisions of

this article, and in augmentation thereof.

"Section 16. Provisions Cumulative and Conflicting Laws Repealed. This article is cumulative of and in addition to the authority granted by any other law of this State relating to separate accounts for insurance companies or to annuity contracts on a variable basis, and shall not be deemed to repeal or affect the provisions of Part III of Article 3.39 of this Code dealing with the group variable annuity contracts referred to in such article, or to affect such contracts, and all other laws and parts of laws in conflict with this Act are hereby repealed to the extent only of such conflict.

Sec. 2. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Sec. 3. The importance of this legislation and the crowded condition of the calendar creates an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each House be suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

The Conference Committee Report was read and was adopted by the following vote:

Yeas—29

Aikin	Hightower
Bates	Jordan
Bernal	Kennard
Berry	Mauzy
Brooks	Moore
Christie	Parkhouse
Cole	Patman
Connally	Ratliff
Creighton	Reagan
Grover	Schwartz
Hall	Wade
Hardeman	Watson
Harrington	Wilson
Hazlewood	Word
Herring	

Absent—Excused

Blanchard	Strong
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Senate Concurrent Resolution 68

Senator Wilson offered the following resolution:

S. C. R. No. 68, Commending officials and students of Stephen F. Austin State College for setting homecoming on the birthday of Stephen F. Austin.

Whereas, On November 3, 1967, Stephen F. Austin State College at Nacogdoches is celebrating its annual homecoming, just 174 years after the birth of the man who is recognized as the "Father of Texas" and whose name the college bears; and

Whereas, Stephen Fuller Austin, born on November 3, 1793, in Virginia, arrived in Texas on July 15, 1821, when only 28 years old, to assume his father's grant; a faithful and conscientious impresario, he left the law school where he was enrolled in New Orleans to bring 300 settlers to Texas from the United States and to fulfill the dying request of his father, Moses Austin; and

Whereas, First settlements were made late in 1821 at Columbus on the Colorado and at Washington-on-the-Brazos, which was destined to become the birthplace of the Republic of Texas on March 2, 1836; and

Whereas, Shortly after the Austin colony was established Mexico gained her independence from Spain, and Austin journeyed the long distance to Mexico City to secure new confirmation of his grant, despite conflict and confusion of the new Mexican government; and

Whereas, After that first grant, more than 1,000 land titles were issued to Austin in the next decade, and population of his colony exceeded 5,000; and

Whereas, Austin continued his stewardship of his father's trust by traveling to Washington with Branch T. Archer and William H. Wharton, to ask aid of the United States after the Texas provisional government was formed at San Felipe, beginning on November 3, 1835; and

Whereas, Stephen F. Austin died on December 27, 1836, at the early age of 43; no other state in this great Union owes so much to one man as does Texas to Stephen Fuller Austin, for without his vision and guardianship, Texas today would be a Mexican state; and

Whereas, In history, he will remain immortal as described by that outstanding historian, Eugene C. Barker: "He (Austin) was a man of warm affection, and loved the idea of home, but he never married. Texas was home, and wife, and family to him. He died on a pallet on the floor of a two-room, clapboard shack . . . His work was done but he was denied the years so hardly earned for the enjoyment of its fruit . . . Austin sowed unselfishly and abundantly, and he deserved also to reap"; and

Whereas, Stephen Fuller Austin is rightfully regarded as the "Father of Texas," and in holding its 39th annual homecoming on November 3, 1967, Stephen F. Austin State College pays just tribute to this great man of Texas history; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That officials and students of Stephen F. Austin State College be commended for honoring Stephen Fuller Austin on the 174th anniversary of his birth in the dedication of their official homecoming ceremony to his memory; and, be it further

Resolved, That the Texas Legislature deems it appropriate that all the people of this great state, who owe so much to the "Father of Texas," honor Stephen Fuller Austin this November 3, 1967, and that this day be set aside as an occasion for annual celebration in Texas.

The resolution was read.

On motion of Senator Wilson and by unanimous consent the resolution was considered immediately and was adopted.

Memorial Resolutions

S. R. No. 544—By Senator Watson:

Memorial resolution for Emory B. Camp. (amended)

S. R. No. 545—By Senator Watson: Memorial resolution for Rufus R. Peeples. (amended)

Welcome Resolutions

S. R. No. 549—By Senator Brooks: Extending welcome to teacher and students of Zion Lutheran School of Pasadena.

S. R. No. 550—By Senators Wade and Kennard: Extending welcome and privileges of the floor for the day to Bill Georges and Ramon Bynum.

S. R. No. 551—By Senator Parkhouse: Extending welcome to teachers and students of St. James Elementary School of Dallas.

S. R. No. 552—By Senator Word: Extending welcome to teachers and students of Keene SDA Elementary School.

S. R. No. 553—By Senator Hazlewood: Extending welcome to Jim Eggleston.

S. R. No. 554—By Senator Wilson: Extending welcome to teachers and students of senior class of Burkeville High School.

S. R. No. 555—By Senator Parkhouse: Extending welcome to teachers and members of Girls Scout Troop No. 530 of Irving.

Adjournment

On motion of Senator Hardeman the Senate at 12:14 o'clock p.m. adjourned until 10:30 o'clock a.m. Monday, May 8, 1967.

In Memory of
George Wesley (Dub) Evans, Jr.

Senator Hardeman offered the following resolution:

(Senate Resolution 547)

Whereas, It has been learned with regret of the recent passing of George Wesley (Dub) Evans, Jr., of Magdalena, New Mexico; and

Whereas, Mr. Evans was the son of a pioneer West Texas ranching family, having been born and reared among the mauve and purple peaks of the Davis Mountains where he spent his early life; and

Whereas, He was married to Miss Beulah Gillette, daughter of famous Texas Ranger Captain J. B. Gillette in 1911; thereafter he removed to New Mexico and engaged in the cattle ranching business and became active in New Mexico politics and served as a member of the State Senate of New Mexico, representing the 14th District of the Land of Enchantment; and

Whereas, Senator Evans served many years as vice president of the Bloys Cowboy Camp Meeting Association, an organization established by the pioneer West Texas preacher William Bloys before the turn of the 20th Century and which is known far and wide and attended annually by people from throughout the United States; and

Whereas, He was president of the New Mexico Cattle Growers' Association and served as president of the New Mexico Boys' Ranch and a director of the American National Cattlemen's Association. He was further honored by being named "New Mexico Cattleman of the Year" in 1951; and

Whereas, Senator Evans addressed the Senate of Texas of the 50th Legislature in 1947, and it is the desire of the 60th Legislature to recognize the distinguished public service of this native Texan and extend its sympathy to his wife and the members of his surviving family; now, therefore, be it

Resolved by the Senate of Texas that it express its appreciation of the public service of George Wesley (Dub) Evans, Jr., and extends its sympathy to his wife and the surviving members of his family and that copies of this Resolution under the Seal of the Senate be forwarded by the Secretary of the Senate to Mrs. Evans and other members of the family.

The resolution was read and was adopted by a rising vote of the Senate.